

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC
SERVICE COMMISSION HELD IN ITS OFFICES ON NOVEMBER 7, 2016

Commission Chairman Sally A. Talberg called the meeting to order at 1:30 p.m.

Executive Secretary Delegate Lisa Felice called the roll and declared there was a quorum.

PRESENT

Commission: Sally A. Talberg, Chairman
Norman J. Saari, Commissioner
Rachael A. Eubanks, Commissioner

Staff: Margaret Rost
Judy Palnau
Lisa Felice
Al Freeman
Paul Proudfoot
Derrell Slaughter
Gloria Pearl Jones

Public: Suzy Westmoreland, MEGA
Steve McLean, SEMCO
Candace Gonzales, Consumers Energy
Karen Wienke, Consumers Energy
Yvette Collins, AT&T
Kwafo Adarkwa, ITC

- I.** Commissioner Saari moved to approve today's agenda, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The agenda was approved.

- II.** Commissioner Saari moved to approve the minutes of the Regular Commission Meeting of October 11, 2016, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-12952 AT&T MICHIGAN AND TDS METROCOM, LLC
U-14964 AT&T MICHIGAN AND YMAX COMMUNICATIONS CORP.
U-16561 AT&T MICHIGAN AND BARAGA TELEPHONE COMPANY
U-17119 AT&T MICHIGAN AND TELNET WORLDWIDE, INC.
U-17220 AT&T MICHIGAN AND LYNX NETWORK GROUP, INC., f/k/a
LYNX NETWORK GROUP, LLC
U-17893 CENTURYTEL MIDWEST-MICHIGAN, INC., CENTURYTEL OF
MICHIGAN, INC., CENTURYTEL OF NORTHERN MICHIGAN,
INC., AND CENTURYTEL OF UPPER MICHIGAN, INC., ALL d/b/a
CENTURYLINK, AND LEVEL 3 COMMUNICATIONS, LLC
U-18133 CENTURYTEL MIDWEST-MICHIGAN, INC., CENTURYTEL OF
MICHIGAN, INC., CENTURYTEL OF NORTHERN MICHIGAN,
INC., AND CENTURYTEL OF UPPER MICHIGAN, INC., ALL d/b/a
CENTURYLINK AND NEW CINGULAR WIRELESS PSC, LLC, AND
ITS COMMERCIAL MOBILE RADIO SERVICE AFFILIATES
U-18169 AT&T MICHIGAN AND CALL ONE INC.
U-18181 BARAGA TELEPHONE COMPANY AND HIAWATHA TELEPHONE
COMPANY, MIDWAY TELEPHONE COMPANY, AND
ONTONAGON COUNTY TELEPHONE COMPANY
U-18183 CENTURYTEL MIDWEST-MICHIGAN, INC., CENTURYTEL OF
MICHIGAN, INC., CENTURYTEL OF NORTHERN MICHIGAN,
INC., AND CENTURYTEL OF UPPER MICHIGAN, INC., ALL d/b/a
CENTURYLINK AND DISHNET WIRELINE L.L.C.
U-18184 AT&T MICHIGAN AND AIRUS, INC.
U-18190 CARR TELEPHONE COMPANY AND CHARTER FIBERLINK –
MICHIGAN, LLC
(interconnection agreements and amendments)

Case No. U-12952 et al. requests Commission approval of interconnection agreements and amendments. The order before you approves the requests. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

2. U-17619 WESTPHALIA TELEPHONE COMPANY AND GREAT LAKES
COMNET, INC. v AT&T CORP.
(COA remand)

Case No. U-17619 involves a complaint filed by Westphalia Telephone Company and Great Lakes Comnet, Inc., against AT&T Corp. for back payments for services, and a counterclaim filed by AT&T Corp. for relief from unlawful tariffs. The order before you addresses the remand from the Michigan Court of Appeals. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks

Nays – None

The order was adopted.

3. U-18165 LYMAN P. JUMP v COMCAST OF COLORADO/FLORIDA/MICHIGAN/NEW MEXICO/PENNSYLVANIA/WASHINGTON, LLC (mediation)

Case No. U-18165 involves a complaint filed by Lyman P. Jump against Comcast of Colorado, Florida, Michigan, New Mexico, Pennsylvania, Washington, LLC. The order before you dismisses the complaint and closes the docket because the matter was resolved via mediation. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks

Nays – None

The order was adopted.

B. ELECTRIC

1. U-17672-R WISCONSIN PUBLIC SERVICE CORPORATION ('15 PSCR reconciliation)

Case No. U-17672-R involves an application by Wisconsin Public Service Corporation for approval of its power supply cost recovery reconciliation for the 12-month period ended December 31, 2015. The order before you approves a settlement agreement resolving all issues in the case. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

2. U-17677-R THUMB ELECTRIC COOPERATIVE
(’15 PSCR reconciliation and TIER ratemaking mechanism)

Case No. U-17677-R involves an application by Thumb Electric Cooperative for a power supply cost recovery reconciliation proceeding and a times interest earned ratio ratemaking mechanism review – both for the 12-month period ended December 31, 2015. The order before you approves a settlement agreement resolving all issues in the case. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

3. U-17875 CONSUMERS ENERGY COMPANY
(solar distributed generation pilot program)

Case No. U-17875 involves an application filed by Consumers Energy Company for approval of a pilot solar distributed generation program. The order before you approves the program as modified by the order. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

4. U-17936 COMMISSION’S OWN MOTION
(DTE Electric Company – demand response)
U-18013 COMMISSION’S OWN MOTION
(Consumers Energy Company – demand response)

Case Nos. U-17936 and U-18013 involve reports filed by DTE Electric Company and Consumers Energy Company regarding education, outreach, marketing, and customer support of time of use

rates and dynamic peak pricing. The order before you sets forth reporting requirements for demand response and provides other relief, as set forth in the order. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

5. U-17986 JOHN A. HOLETON v DTE ENERGY COMPANY

Case No. U-17986 involves a complaint by John A. Holeton against DTE Energy Company. The order before you dismisses the complaint. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

6. U-18061 WISCONSIN ELECTRIC POWER COMPANY, WISCONSIN PUBLIC SERVICE CORPORATION AND UPPER MICHIGAN ENERGY RESOURCES CORPORATION
(settlement agreement)

Case No. U-18061 involves an application filed by Wisconsin Electric Power Company, Wisconsin Public Service Corporation, and Upper Michigan Energy Resources Corporation under MCL 460.6q regarding the creation of a new Michigan-only jurisdictional utility. The order before you sets dates for briefing related to the proposed settlement agreement and the application. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Chairman Talberg commented:

“Two subsidiaries of Wisconsin Electric Corporation (WEC)—WEPCO and WI Public Service Company— have requested Commission approval to transfer utility assets and make other changes to create a Michigan-only utility. Combined, this new stand-alone utility would serve approximately 40,000 electric and natural gas customers in Michigan’s Upper Peninsula.

An unopposed settlement agreement was filed with the Commission a few weeks ago. There are critical issues addressed in the settlement that will affect long-term reliability and affordability of energy for UP residents and businesses. We appreciate the hard work of the parties thus far

to work through various issues. I especially want to acknowledge the Commission Staff's role in facilitating discussions with WEC and the other parties.

However, before taking action on the application and settlement, the Commission determined that additional information was necessary to ensure that residents of the UP are protected now and in the future. Therefore, through today's order, the Commission requests briefing from the signatories to the settlement to help the Commission make an informed decision on whether the settlement is in the public interest.

Ensuring customers in the UP have access to affordable, reliable, and safe energy is of the utmost importance to the Commission. We need to be assured that the proposed governance, financial, regulatory, and organizational changes embodied in the settlement are handled in a manner that supports these objectives.

We have set a briefing schedule for the parties that will allow the Commission to take action in December. This schedule will fall within the 6-month statutory deadline for this type of proceeding. I look forward to evaluating the additional input from the parties".

Commissioner Saari commented:

"The Commission would be making a precedent setting decision with the creation of a new legal entity to provide electric and gas service to some 40,000 customers in the Upper Peninsula.

We especially appreciate the thoroughness and thoughtfulness of the Commission staff as they worked with the Wisconsin Electric Power Company and the Wisconsin Public Service Corporation in addressing the legal, financial and operational issues that need resolution prior to shifting the management of utility service to the new Upper Michigan Energy Resources Corporation.

The staff, applicant and intervenors have all operated under a tight deadline to reach a proposed settlement for the creation of UMEREC.

The Commission's decision will have a longstanding impact on the future energy resources, pricing and customer service for the Michigan residents relying upon gas and electric service from this new company.

I believe the Commissioners are acting responsibly and on behalf of Upper Peninsula families and businesses in seeking additional clarifying information that will be important in the creation and operation of UMEREC.

We are committed to issuing a final decision in a timely manner after a thorough, careful and expeditious review of the additional briefing we have requested in this order".

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

7. U-18084 NORTHERN STATES POWER COMPANY
('15 RE reconciliation)

Case No. U-18084 involves an application by Northern States Power Company requesting authority to reconcile its renewable energy revenues and expenses for 2015. The order before you approves a settlement agreement resolving all issues in the case. Commissioner

Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

C. GAS

1. U-17900 CONSUMERS ENERGY COMPANY
(gas customer choice program)

Case No. U-17900 is a proceeding to consider the effects of Consumers Energy Company's gas customer choice and end use transportation programs on the costs of gas for gas cost recovery customers during colder-than-normal weather. The order before you adopts a settlement agreement resolving all issues in the case. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

2. U-18109 SEMCO ENERGY GAS COMPANY
(contract amendment)

Case No. U-18109 involves an application filed by SEMCO Energy Gas Company for approval of an amendment to a natural gas transportation service agreement. The order before you approves the amendment. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

3. MINUTE ACTION CONSUMERS ENERGY COMPANY
(non-compliance)

Adopt and issue minute dated November 7, 2016, acknowledging that, in response to a July 11, 2016 letter of probable non-compliance sent by the Commission Staff to Consumers Energy Company, the Commission Staff and Consumers Energy Company have entered into the attached Administrative Consent Agreement requiring Consumers Energy Company to pay a civil penalty in the amount of \$20,000 and requiring the company to implement certain remedial actions with respect to its gas safety program. Within 30 days after completion of all remedial actions, Consumers Energy Company shall submit a letter of final resolution to the Commission Staff. The Commission also acknowledges its acceptance of the Administrative Consent Agreement, without modification, as a full and final disposition of this matter. Commissioner Saari moved that the Commission approve the order at its November 7, 2016 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The minute was adopted.

IV. PUBLIC COMMENTS

There were no public comments.

Chairman Talberg announced that the next regularly scheduled Commission Meeting will be held on November 22, 2016 at 11:30 a.m.

Commissioner Saari moved that the Commission adjourn, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The motion was approved.

The meeting adjourned at 1:44 p.m.

Kavita Kale
Executive Secretary